THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD): (a) and (b) The fast growing telecom sevice sector in India has drawn attention of major international telecom companies for setting up of manufacturing facilities in India. As per the policy, no Government approval is required for setting up of manufacturing unit for the telecom sector.

(b) Some of the international telecom companies have given their recommendations for extending fiscal incentives and removal of certain impediments for the accelerated growth. However, the Government has already provided a number of incentives to promote investment in telecom manufacturing sector. Some of the incentives are:—

(i) 100% Foreign Direct Investment is allowed in this sector under automatic route through Reserve Bank of India (RBI). A technical know-how fee of US $ 2 million and royalty at the rate of 5% far the domestic sales and at the rate of 8% for the export are also allowed under automatic route.

(ii) Electronic Hardware Technology Park Scheme had been modified to boost indigenous telecom manufacturing industry.

(iii) The telecom service operators have been allowed to issue Form 'C' under Central Sales Tax enabling telecom manufacturing industry to avail concessional sales tax benefits.

Sale of sophisticated weapons to Pakistan by U.S.A.

734. SHRI DATTA MEGHE:
SHRI YASHWANT SINHA:

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether the United State has taken a decision to sell sophisticated weapons to Pakistan recently;

(b) if so, the details thereof;

(c) whether this sale of sophisticated weapons by U.S. to Pakistan will 'inevitably impact' the positive sentiments that characterize Indo-U.S. ties;

(d) whether India's concern in this regard has been conveyed to the US Government;

(e) if so, the details thereof; and

(f) the response of the U.S. Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI RAO INDERJIT SINGH) (a) and (b) The U.S. Department of Defence has notified the U.S. Congress of proposed sale of military equipment to Pakisan including eight P-3C Orion maritime surveillance aircraft, six PHALANX Close-In Weapon Systems and an ammunition complement of 2000 TOW-2A missiles and 14 TOW-2A Fly-to-Buy missiles. The U.S. Department of Defence has informed the Congess that the sales would contribue to the foreign policy and national security of the U.S. by helping to improve the security of a friendly country that has been and continues to be an important force for economic progress in South Asia and the global war on terrorism.

(c) to (e) India's strong concern in this regard has been conveyed at high levels to the US Government. The repercussions of such sales on the ongoing India-Pakisan dialogue, curently poised at a sensitive juncture, were brought out by us. Such transfers of arms to Pakistan at a time when Indo-U.S. relations saw significant transformation and when U.S. is perceived in India as strategic partner will impact on the positive sentiments and goodwill that have come to characterize Indo-U.S. relations.

(f) U.S. officials have stated that the United States values its relationship with India and have recalled President Bush's personal commitment to take it forward. As far as India-Pakistan relations were concerned, while the United States has an arms supply relationship with Pakistan, it was supportive of the India-Pakistan dialogue. It would also continue to take up concerns relating to cross-border terrorism.

Co-operation between India, Japan, Brazil and Germany for seat in Security Council

735. SHRI K. RAMA MOHANA RAO:
SHRI RAMA MUNI REDDY SIRIGIREDDY:

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) what kind of co-operation between India, Japan, Brazil and Germany has to become a permanent member of the UN Security Council;